

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
Developing a Unified Intercarrier)	CC Docket No. 01-92
Compensation Regime)	

**COMMENTS OF
MID MISSOURI CELLULAR**

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Summary

Mid Missouri Cellular (“Mid Missouri”) applauds the Commission’s efforts to simplify its regulations related to intercarrier compensation, and urges that a bill-and-keep regime would help to level the playing field for small, regional carriers who currently are at a competitive disadvantage when negotiating interconnection agreements with their larger competitors. However, Mid Missouri cautions that adoption of a bill-and-keep regime alone will *not* accomplish the Commission’s goals. Rather, what is required is the adoption of a bill-and-keep regime in conjunction with a framework that ensures that gains in efficiencies associated with a bill-and-keep arrangement are not overshadowed by requirements that, in order to implement bill-and-keep, wireless carriers are required to implement a myriad of additional interconnection facilities. The key is to adopt a bill-and-keep arrangement in conjunction with the most efficient interconnecting network configurations.

Mid Missouri submits that a truly unified interconnection regime should be adopted that applies to all types of carrier interconnection, including CMRS-to-CMRS and CMRS-to-IXC interconnection.

Under the current regime, compensation to the CMRS carrier is effectively avoided in many instances, despite the “requirement” for MTA-wide local calling. Mid Missouri submits that any Commission action in this proceeding must be undertaken in such a way that the CMRS carrier is allowed to interconnect in the most efficient manner while actually being able to receive compensation for its role in terminating traffic.

Mid Missouri provides its commentary on the two Commission Staff White Paper proposals and urges that a hybrid of the two proposals would better further the Commission’s goals and would address some of the practical difficulties with the current intercarrier compensation regime.

Specifically, Mid Missouri urges the Commission to adopt the following Bill-and-Keep Intercarrier Compensation Regime: 1) For originating traffic, each carrier should recover the costs of its network from its own subscribers; 2a) Where wireline network interconnection facilities are contained within a CMRS service area, the costs of interconnecting facilities would be split evenly between the interconnecting carriers; 2b) Where limitations of the wireline network require that facilities for interconnection with a switch within the CMRS licensee's service area are required to be run to areas other than the location of the switch to which the CMRS licensee desires interconnection, the cost of a circuit to physical location of the switch within the market would be split evenly between the interconnecting carriers. 3) Mandate that networks interconnect at the highest common point of interconnection; 4) Traffic would only be routed to an IXC where the two carriers involved in completing the call did not have direct connection to and from the same tandem; and 5) Mandate that the IXC pay terminating access to whatever carrier it delivers traffic, whether it be ILEC, CLEC or CMRS.

Moreover, Mid Missouri submits that even if the Commission should decide not to institute a bill-and-keep regime, that the Commission should still apply to its current interconnection regime Mid Missouri's suggestions related to requiring interconnection at the highest common point; elimination of originating access; routing all intra-MTA traffic via the common interconnection tandem; and payment of terminating access by the IXC.

Finally, the Commission has the authority to implement a bill-and-keep regime. As such, Mid Missouri urges the Commission to adopt the proposals contained herein.

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Mid Missouri Cellular (“Mid Missouri”), by its attorneys and pursuant to Sections 1.415, 1.419 and 1.430 of the Commission’s rules,^{1/} hereby comments on the Notice of Proposed Rulemaking^{1/} in the above-captioned proceeding. In the *NPRM*, the Commission has begun a fundamental re-examination of the complex system of currently regulated forms of intercarrier compensation (*i.e.*, access charges for long-distance traffic and reciprocal compensation). The Commission seeks comment “on the broad universe of existing intercarrier compensation arrangements.”^{1/} The Commission’s stated goals in this proceeding include “encourag[ing] efficient use of, and investment in, telecommunications networks, and the efficient development of competition. . . and minimiz[ing] the need for regulatory intervention, both now and as competition continues to develop.”^{1/} In the *NPRM*, the Commission envisions that a bill-and-keep regime would

^{1/}47 C.F.R. §§1.415, 1.419 and 1.430.

^{2/}Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92, *Notice of Proposed Rulemaking*, FCC 01-132, April 27, 2001, 66 Fed. Reg. 28410 (May 23, 2001)(hereinafter “*NPRM*”).

^{3/}*NPRM* at ¶2.

^{4/}*NPRM* at ¶2.

fulfill its goals.^{1/} As such it seeks comment on its “proposal to adopt a bill-and-keep rule to govern local exchange carrier (“LEC”) recovery of costs associated with the delivery of ISP-bound traffic . . .” and on the potential adoption of a bill-and-keep approach to reciprocal compensation payments governed by section 251 of the 1996 Act, and the eventual application of bill-and-keep to interstate access charges regulated under section 201 of the Communications Act of 1934, as amended (“Communications Act”).^{1/} Further, the Commission seeks comment “on alternative reform measures that would build upon current requirements for cost-based intercarrier payments.”^{1/}

Mid Missouri applauds the Commission’s efforts to simplify its regulations related to intercarrier compensation, and urges that a bill-and-keep regime would help to level the playing field for small, regional carriers who currently are at a competitive disadvantage when negotiating interconnection agreements with their larger competitors. However, Mid Missouri cautions that adoption of a bill-and-keep regime alone will not accomplish the Commission’s goals. Rather, what is required is the adoption of a bill-and-keep regime in conjunction with a framework that ensures

^{5/}Commission intercarrier compensation goals are discussed further in two recent related Commission actions. *See* Intercarrier Compensation for ISP-Bound Traffic, CC Docket No. 99-68, *Order on Remand and Report and Order*, FCC 01-131 (rel. Apr. 27, 2001); *and* Access Charge Reform; Reform of Access Charges Imposed by Competitive Local Exchange Carriers, CC Docket No. 96-262, *Seventh Report and Order*, FCC 01-146 (rel. Apr. 27, 2001).

^{6/}*NPRM* at ¶4.

^{7/}*NPRM* at ¶4.

that gains in efficiencies associated with a bill-and-keep arrangement are not over-shadowed by requirements that, in order to implement bill-and-keep, wireless carriers are required to implement a myriad of additional interconnection facilities. The key is to adopt a bill-and-keep arrangement in conjunction with the most efficient interconnecting network configurations. Mid Missouri will respond herein to the Commission's requests for comments.

I. EXISTING INTERCARRIER COMPENSATION RULES

The Commission discusses several pressing issues raised by the existing intercarrier compensation rules. For example, the Commission is concerned about opportunities for regulatory arbitrage created by the existing patchwork of intercarrier compensation rules.^{8/} In addition, the Commission sees terminating access monopolies which exist under the current regime as a problem.^{9/} Moreover, it wishes to examine whether different types of networks require different interconnection rates.^{10/} Further, the Commission states that inefficient intercarrier compensation rules likely distort the structure and level of end-user charges.^{11/} Finally, the Commission recognizes

^{8/}*NPRM* at ¶11-12.

^{9/}*NPRM* at ¶13-15.

^{10/}*NPRM* at ¶16.

^{11/}*NPRM* at ¶17.

that inefficient interconnection prices may distort an entity's subscription decision.^{1/}

^{12/}*NPRM* at ¶18.

In its examination of possible ways to address the above concerns, the Commission seeks an approach to intercarrier compensation that will encourage efficient use of, and investment in, telecommunications networks, and the efficient development of competition and also minimizes the need for regulatory intervention, both now and as competition continues to develop.^{13/} In the past, revisions to the access charge and reciprocal compensation regimes also have sought to keep local telephone rates low and thus telephone penetration rates high, and to encourage development of enhanced services. The Commission seeks comment on what the appropriate goals for intercarrier compensation should be, and how a given regime should be evaluated.

Mid Missouri suggests that Commission goals for this proceeding should include efficient utilization of carrier, end user and regulatory resources; competitive neutrality, serving universal service goals, encouraging development of enhanced services, and minimizing regulatory intervention. Mid Missouri suggests further urges that a bill-and-keep intercarrier compensation regime could serve all of these goals provided that, in order to realize bill-and-keep, wireless carriers are not required to deploy a vastly inefficient series of direct connect circuit to each and every local exchange carrier. Indeed, under the current structure, Mid Missouri's experience has been that ILECS have attempted to totally eviscerate the entire intra-MTA local calling (for reciprocal compensation purposes) mandate, even where the wireless carrier deploys circuits directly to the ILEC's switch. Accordingly, Mid Missouri respectfully submits that, it is not enough for the Commission to adopt a bill-and-keep regime if, in doing so, it fails to ensure that the purposes and benefits thereof cannot be circumvented in implementation. In the alternative, if the Commission were to decline to adopt a bill-and-keep regime, the Commission must, nonetheless, ensure that the

^{13/}*NPRM* at ¶2.

existing intra-MTA local calling requirements are clarified to ensure that the most efficient network interconnection design results in meaningful compensation for the wireless carrier. (**Do we want to be specific here about the extent of regulatory intervention which is required/desired?)

The *NPRM* looks at what should be done in the long-run and “envisions” that a bill-and-keep regime would fulfill the goals of the two interim measures,^{14/} combined with the larger goal of a unified regime. However,

^{14/}See note 5, above.

The Commission does “not contemplate a need to adopt new rules governing . . . CMRS-to-CMRS or CMRS-to-IXC arrangements.”^{15/} (**In light of difficulties negotiating roaming agreements with other CMRS carriers and other potential problems in dealing with IXCs do we want to urge the Commission to include these arrangements under the umbrella of any unified intercarrier compensation regime it adopts?**) While Mid Missouri agrees that, to date, wireless industry interconnection issues have not required Commission intervention, that may be due more to the fact that there has been relatively little direct CMRS-to-CMRS interconnection deployed to date, than that the same issue would not apply. Up until 5 years ago, there were only two carriers in each market and technology was such that A or B side subscribers primarily roamed on the same side (A or B) as they traveled between markets. The result was an inherent mutual interest for carriers to work together to maximize the efficiencies for the provision of this roaming service. However, as competition increases, and the CMRS structure becomes increasingly blurred as technology, and additional spectral opportunities allow the deployment of large regional and nationwide networks by carriers that utilize not only the A and B block cellular licenses but also the PCS spectrum, the underlying basis for ensuring fair dealing (i.e. the requirement that the B side carrier in market 1 must rely on the B side carrier in market 2 for service to its subscribers when they “roam”), is quickly vanishing. Indeed, increasingly, it is becoming the case where a rural CMRS carrier’s major roaming partner in an adjacent market is its direct competitor in its own market. With the paradigm shift of mutual dependency to one CMRS carrier being in a position to gain a competitive advantage, the historical basis upon which the CMRS-to-CMRS cooperative record is based, is already becoming inapplicable to a forward looking analysis. Accordingly, Mid Missouri submits that a

^{15/}*NPRM* at note 2.

truly unified interconnection regime should be adopted that applies to all types of carrier interconnection, including CMRS-to-CMRS.

In the context of CMRS-to-IXC compensation, the record is far less favorable. While CMRS carriers have been able to realize some level of compensation for traffic originating on their networks, that compensation essentially has taken the form of obtaining a reduced toll rate, with the Carrier effectively becoming a re-seller of the IXC's toll service. In sharp contrast, IXC-to-CMRS compensation, where the IXC delivers traffic for termination to the CMRS carrier for termination, has been non-existent, at least with respect to the small, rural carriers. Without tariffs there is no vehicle for assessing charges to an IXC absent a discrete contract with each and every such IXC. Many small rural carriers have had little success in negotiating contracts with IXCs. The end result is that for the most part IXCs are not paying terminating access to CMRS carriers; notwithstanding the fact that IXCs charge their subscribers the same toll rate for such calls as for calls to wireline subscribers. In other words, in the current environment, IXC customers are paying IXCs for the cost to terminate the traffic to wireless carriers, but the IXCs are not sending that compensation to the wireless carriers. Accordingly, Mid Missouri urges that the Commission utilize this opportunity to fully address all intercarrier compensation issues, including CMRS-IXC compensation.

II. PRACTICAL PROBLEMS WITH THE CURRENT REGIME

The most efficient means of interconnection is to tie the CMRS network with the wireline network at the highest common point of interconnection. Specifically, where the CMRS network provides service to an area served by a LEC tandem, the most efficient means of interconnection is directly to the wireline tandem serving the same geographic area. Just as in the development of the

existing wireline network, as traffic expands between the CMRS network and any given end office to the point where the volume of such traffic so mandates, direct circuits should be established between the CMRS network and the particular wireline end office.

The current reciprocal compensation structure is intended to provide CMRS carriers with compensation for all traffic that originates within the MTA and terminates on their wireless networks. Further, the current structure requires CMRS carriers to pay such compensation for traffic they originate within the MTA. cellular network. Where CMRS carriers originate calls and route them to the tandem, CMRS carriers pays a tandem switching element to the carrier providing the tandem switching, and reciprocal compensation to the carrier providing end office. Unfortunately, the intent, that CMRS carriers are to receive compensation under this type of interconnection, In practice, this has been laergely frustrated. The problem arises in two distinct areas: i) where there are more than one carrier with tandems serving the MTA; and ii) where different carriers operate the end offices and the tandems. With respect to the first situation, a CMRS carrier, such as Mid Missouri, obtains Type 2A interconnection with a single tandem for any given NPA-NXX code. All inbound traffic (other than that where a direct end-office-to-end-office facility exists) must be routed through the tandem to reach the CMRS switch. ILECs typically have taken the position that they are required to deliver any and all traffic destined for points beyond their local calling areas to an IXC rather than to the tandem where the CMRS carrier is interconnected. ILECs then argue that once the call is delivered to an IXC, it comes within the access charge regime, and thus, is not subject to reciprocal compensation. While Mid Missouri does not agree with that position, it has gone so far as to provide direct connect facilities with ILECs to circumvent the “need” to utilize an

IXC for the delivery of traffic. Even then, the ILEC refuses to route traffic over that facility and to pay reciprocal compensation to the CMRS carrier unless the NXX code has a rate center that resides within the ILEC's local calling area, even though the rate center for the NXX lies within the same MTA. The end result is that the Commission mandate of payment of reciprocal compensation for intra-MTA traffic, is totally frustrated even where direct facilities have been provided and no IXC is physically required to terminate that traffic. The ILEC's motivation is clear. The IXC pays the ILEC originating access for all calls delivered to the IXC. Where the calls are delivered to the CMRS carrier, the ILEC is required to pay reciprocal compensation. From the ILEC perspective, calls that previously were revenue-producing now cost it money to terminate. The net result is that the Commission mandate of reciprocal compensation for intra-MTA traffic effectively is replaced with the ILECs' local calling area serving as the basis for the payment of reciprocal compensation -- and then only when direct-connect facilities are established. The Commission expressly rejected utilization of the ILEC local calling area as the basis for the payment of reciprocal compensation in its Interconnection Order.^{16/} Yet, as explained above, the position taken by the ILECs effectively renders no situation where reciprocal compensation is paid to CMRS carriers on an MTA-wide basis as no ILECs have a local calling area that is MTA-wide.

This scenario plays out where the CMRS provider is interconnected to a tandem other than

^{16/}Implementation of the Local Competition Provisions in the Telecommunications Act of 1996; Interconnection between Local Exchange Carriers and Commercial Mobile Radio Service Providers, CC Docket No. 96-98; CC Docket No. 95-185, *First Report and Order*, 11 FCC Rcd 15499, 16014 (1996) (*Interconnection Order*)..

one provided by the same ILEC. It occurs even where a CMRS carrier interconnects with a tandem that is sub-served by several end offices also owned by the tandem operator, and where an independent end office sub-serves the same tandem. Moreover, where the tandem operator is precluded from carrying traffic across LATA boundaries, the intra-MTA language becomes meaningless. Despite the fact that the CMRS carrier is directly connected to the tandem, that the call is destined for the CMRS carrier's NPA-NXX, and the NPA-NXX is assigned to a rate center within the same MTA as that of the tandem operator, the CMRS carrier is "precluded" from carrying the traffic across the LATA line and, just as in the case of the ILEC discussed above, the MTA-wide local calling is replaced, in this case, with a LATA-wide local calling scope. This occurs despite the fact that the actual traffic itself could have been handed off to the CMRS carrier within the LATA at the point of interconnection.

Accordingly, under the current regime, compensation to the CMRS carrier is effectively avoided in these instances, despite the "requirement" for MTA-wide local calling. Mid Missouri submits that any Commission action in this proceeding must be undertaken in such a way that the CMRS carrier is allowed to interconnect in the most efficient manner while actually being able to receive compensation for its role in terminating traffic.

III. BROAD AREAS IN WHICH THE COMMISSION SEEKS COMMENT

In this section Mid Missouri responds to the Commission's inquiries into a few general issues, including potential adoption of a bill-and-keep approach to reciprocal compensation payments governed by section 251 of the 1996 Act, and the eventual application of bill-and-keep to interstate access charges regulated under section 201 of the Communications Act of 1934, as

amended (“Communications Act”); and alternative reform measures that would build upon current requirements for cost-based intercarrier payments.¹⁷

- A. Potential Adoption of a Bill-and-keep Approach to Reciprocal Compensation Payments Governed by Section 251 of the 1996 Act, and the Eventual Application of Bill-and-keep to Interstate Access Charges Regulated under Section 201 of the Communications Act of 1934, as Amended (“Communications Act”).**
- C. Alternative Reform Measures That Would Build upon Current Requirements for Cost-based Intercarrier Payments.**

III 1. New Approaches to Intercarrier Compensation

¹⁷In addition, the *NPRM*-requested input in the following areas: Adoption of a bill-and-keep rule to govern local exchange carrier recovery of costs associated with the delivery of ISP-bound traffic after the three-year interim period; Whether, and how, the existing Calling-Party’s-Network-Pays interconnection regimes can be reformed in the event that the Commission decides not to adopt bill-and-keep, and whether the Commission has legal authority to adopt such modification; How each proposed reform might affect other existing Commission and state regulations; How a bill-and-keep regime would impact universal service; If adopted solely for domestic intercarrier compensation, what impact would the proposed reforms have on international settlement arrangements and on the prices that consumers pay for international services; What are the potential impact on small entities; and Whether there are other types of intercarrier compensation not yet addressed that can ameliorate the problems facing existing intercarrier compensation arrangements.

Commission staff members have released two working papers that propose alternative solutions to these intercarrier compensation problems.^{18/} Both papers offer justifications for a bill-and-keep approach to intercarrier compensation; both propose default interconnection rules that would apply only when carriers cannot agree on the terms for interconnection. Because the proposed bill-and-keep regimes presented in the DeGraba and Atkinson-Barnekov White Papers are being proposed as *default* interconnection regimes, they “would apply only if two interconnecting carriers are unable to reach a negotiated agreement on the terms of interconnection. [They do] not constrain in any way the kind of agreement carriers are allowed to negotiate.”^{19/} Further, both shift the burden of costs of facilities away from the interconnected carrier. However the two papers differ significantly in their details. The Commission has requested comment on the two papers which are summarized briefly below. (**MKK, if we have no real preference with respect to a particular bill-and-keep methodology at this point in time, I suggest cutting back on the detail provided in this section.**) Mid Missouri provides its commentary on these two proposals and suggests that a hybrid of the two proposals would better serve to further the Commission’s goals while moving toward addressing some of the practical difficulties with the current intercarrier compensation regime addressed above.

aA. Central Office Bill and Keep (“COBAK”)

The Degraba White Paper proposes default interconnection rules applicable to all types of

^{18/}See Patrick DeGraba, *Bill and Keep at the Central Office as the Efficient Interconnection Regime* (Federal Communications Commission, OPP Working Paper No. 33, Dec. 2000) (“DeGraba White Paper”). See also, Jay M. Atkinson & Christopher C. Barnekov, *A Competitively Neutral Approach to Network Interconnection* (Federal Communications Commission OPP Working Paper No. 34, Dec. 2000) (“Atkinson-Barnekov White Paper”).

^{19/}DeGraba White Paper at 10.

carriers that interconnect with, and to all types of traffic that pass over, the local circuit-switched network. The first rule of COBAK is that no carrier may recover any costs of its customers' local access facilities from an interconnecting carrier.^{1/} The called party's network cannot charge calling party's network to recover any costs associated with either the called party's loop or the switch that serves the loop. Thus, each carrier must recover the cost of the local access facilities from its own end-user customers.

The second rule of COBAK is "the calling party's network should bear the cost of transporting the call to the called party's central office."^{1/} Since the calling party's network is responsible for the cost of transporting the call to the called party's central office, the calling party's network must either provide its own transport facilities or pay another carrier, including possibly the called party's carrier, to transport the call to the central office serving the called-party.

COBAK would eliminate all originating access charges, as well as any terminating access charges intended to recover the cost of the loop or the terminating central office. COBAK would not eliminate, however, access charges for terminating transport if the interexchange carrier utilizes the terminating local exchange carrier's transport facilities.

^{20/}DeGraba White Paper at 9.

^{21/}DeGraba White Paper at 9.

Further, COBAK does not specify how retail rates should be set. It would not preclude regulators from simply shifting the per-minute local switching access charges from the IXC to the LEC's customer. Finally, COBAK would not preclude alternative retail relationships between a carrier and an end user.^{1/}

**bB. Billing Access to Subscribers-Interconnection Cost Split
("BASICS")**

The Atkinson-Barnekov White Paper proposes BASICS, which consists of two rules: (1) networks should recover all intra-network costs from their end-user customers; and (2) networks should divide equally the costs that result purely from interconnection. In other words, only the costs incremental to interconnection should be split. All remaining network costs should be recovered from the network's own subscribers.

Atkinson-Barnekov espouses that at a minimum, bill-and-keep regulation should provide that networks "share equally those costs that are solely incremental to interconnection and bear individually all costs that are not incremental to interconnection."^{1/} Two important assumptions underlie this analysis: (1) one can clearly distinguish between a carrier's "intra-network costs" and those costs incremental to interconnection; and (2) "the costs of interconnection involve primarily capacity costs that should be recovered through flat charges.

^{22/}DeGraba White Paper at 10.

^{23/}Atkinson-Barnekov White Paper at 1.

With respect to the first assumption, Atkinson-Barnekov demonstrate their theory of how one can examine the level of call blocking that subscribers experience, a key element of service quality, to distinguish between what is an intra-network cost and what is a cost incremental to interconnection.^{1/} For example, suppose network O and network X are interconnected. Further suppose that all network O customers can freely call each other, and there are enough intra-network links to avoid calls being blocked. Network X customers, however, may experience some call blocking due to the fact that network X has fewer links per customer, and therefore a lower quality of service. As a result of the differing quality of service between network X and network O customers may experience some call-blocking, but only with respect to calls placed to or from network X subscribers. Atkinson-Barnekov explain that costs of upgrading service quality for the network X subscribers are not incremental to interconnection. In sum,

[i]nterconnection increases the number of parties that each subscriber is able to call. It does not directly affect possible call blocking *within* the interconnecting networks. . . We are thus distinguishing between costs incremental to *traffic* and costs incremental to *interconnection*. . . . [T]he former should be assigned to the separate networks and only the latter should be split (equally) between the two interconnecting networks.^{1/}

(***Do we see quality of service as a workable proxy (my term) for determining what costs are internal and what costs are incremental to interconnection. Should we apply it to our network configuration as it is interconnected with SBC to see if it operates the way Atkinson-Barnekov think it will?) Further, Atkinson-Barnekov proposes two criteria by which to judge potential mandatory interconnection regimes.

^{24/}Atkinson-Barnekov White Paper at 16-20.

^{25/}Atkinson-Barnekov White Paper at 18.

Do they result in economically efficient inter-carrier compensation? And are regulators likely to get it right? The first criterion means that the correct pricing signals are sent to networks making investment and make/buy decisions, and thus potentially also to consumers making subscription decisions. The second criterion means that regulators do not need many facts or much data to administer the regime.^{1/}

Cc. A Hybrid Approach Would Best Address Existing Shortfalls and Current Abuses Mid-Missouri Analysis of White Papers— Choices: favor One Over Other? Combination of The Two? No Preference And Support General Idea of Bill-and-Keep. (MKK, please advise)**

Mid Missouri submits that the following approach, which combines aspects of both COBAK and BASICS would prove most efficient.

1) *For originating traffic, each carrier should recover the costs of its network from its own subscribers.* This eliminates an ILEC's financial incentive to deliver traffic to an IXC in an attempt to generate additional revenues, as opposed to paying reciprocal compensation. It should prove to be revenue-neutral to IXCs and ILECs, as costs associated with the local network would be billed and collected by ILECs and IXCs, should have a corresponding rate reduction to eliminate the originating access portion of its rates.

2a) *Where wireline network interconnection facilities are contained within a CMRS service area, the costs of interconnecting facilities would be split evenly between the interconnecting*

^{26/} Atkinson-Barnekov White Paper at 8.

carriers. A significant benefit of bill-and-keep is the elimination of the costly inter-carrier accounting and billing procedures. Splitting the cost of the facilities evenly, as opposed to based upon the traffic which each carrier originates on the circuit, would eliminate the monthly inter-carrier per-call accounting in favor of a simple 50/50 facilities cost split.

2b) Where limitations of the wireline network require that facilities for interconnection with a switch within the CMRS licensee's service area be run to areas other than the location of the switch to which the CMRS licensee desires interconnection, the cost of a circuit to physical location of the switch within the market would be split 50/50. The wireline carrier would bear the costs for carrying the traffic to and from the switch location and the point where the actual interconnection occurs, just as it does for all wireline traffic to and from that switch.^{1/}

^{27/} By way of example, Mid Missouri's RSA has a single county that is located within the

St. Louis MTA. The balance of the Mid Missouri RSA lies within the Kansas City MTA. There is no wireline tandem within the portion of the Mid Missouri RSA that lies within the St. Louis MTA and the CMRS carrier is most likely primarily concerned with local calling to and from the end offices located within its licensed coverage area and not the entire MTA. Accordingly, the CMRS carrier should have the option of deciding to utilize direct connect type 2B facilities between that single end office within its market as opposed to interconnecting outside of its market at the tandem which serves the end offices within the CMRS licensed coverage area. In Mid Missouri's situation, the single end office located in the portion of the Mid Missouri market that lies within the St. Louis MTA is a remote switch. The remote end office cannot directly accommodate type 2B interconnection. The decision to deploy a remote end office is one based on the economics of the wireline network. In electing to deploy a remote instead of a full end office, the wireline carrier has already decided that it is more economical for the wireline carrier to backhaul traffic to and from that remote to the host switch (in this case more than 70 miles away) than to place a full end office at this location. In such instances, the CMRS carrier should only be required to bear 50% of the cost of the facilities between the CMRS POI and the remote end office's physical location. Any additional backhaul between the remote and its host, should be the responsibility of the carrier that elected to deploy its network in the host/remote configuration. This would be analogous to the costs borne by the CMRS provider in a type 2B interconnection scenario. There, the CMRS provider provides the backhaul facilities from its POI to the physical location of its CMRS switch, as the CMRS carrier has decided that that is a more economical situation than locating a separate full switching facility within the service area of the wireline switch to which it is interconnecting.

3) *Mandate that networks interconnect at the highest common point of interconnection.*

Where the CMRS switch serves a geographic area comparable to that served by a wireline LEC, the CMRS network should be allowed to interconnect at a single tandem access point in each MTA.^{1/}

All end offices subserving a tandem to which another switch (CMRS, ILEC, CLEC, etc.) is interconnected, would deliver traffic to and from each other via the tandem. Where the interconnection is on the same level (*i.e.* a tandem-to-tandem interconnection) each carrier would bear the costs associated with getting the call to and from the interconnecting tandems. In the case of a CMRS/ILEC call, where the CMRS network serves a geographic area comparable to a tandem, the CMRS carrier would bear the cost of getting the call to and from the wireline network tandem and the ILEC would pay any tandem switching costs associated with delivery of the traffic to and from the wireline tandem. Of course, the cost of this tandem switching element would be passed along by the ILEC to its own subscriber making or receiving the call. Where the level of traffic destined for any particular end office was such that it would occupy 70% of a dedicated T1, direct connect facilities should be established between those two end offices. Where the tandem is not physically located within the CMRS carrier's licensed service area, the CMRS carrier should continue to have the option, instead, to connect directly with the end office(s) located within its

^{28/} On an interim basis, Mid Missouri understands that prohibition on interLATA traffic transport would make an interconnection point in each LATA within an MTA mandatory with respect to interconnection with such carriers. However, as interLATA restrictions for such carriers are lifted, the perLATA interconnection should also be eliminated.

service area. In this case, all calls to and from that particular end office that terminate to a CMRS NPA-NXX code within the same MTA would be routed over the direct connect circuit.^{1/}

^{29/}See note 29, *supra* (providing a scenario where the tandem is not physically located within the CMRS provider's licensed service area.

4) *Traffic would only be routed to an IXC where the two carriers involved in completing the call did not have direct connection to and from the same tandem.* Moreover, all intra-MTA traffic would be routed between carriers over the inter-carrier tandem facility, and not to an IXC. The determination of whether or not a call was intra-MTA would be based upon the rating center for the NPA-NXX originating and terminating the call.^{1/} If there is a way to physically route such an intra-MTA call between the carriers through a common tandem interconnection point, all such traffic would be so routed. Only where there was no such common point of interconnection would the traffic be routed to an IXC. Since the originating carrier would, in such a call, recover its cost for originating the traffic from its own subscriber directly, the IXC would only be responsible to collect and pay terminating access for such calls.^{1/}

5) *Mandate that the IXC pay terminating access to whatever carrier it delivers traffic, whether it be ILEC, CLEC or CMRS.* Significantly, IXCs do not charge less to their customers when

^{30/} Mid Missouri submits that this approach would work equally well for roamer terminating traffic provided that the call to the subscriber that is roaming is treated as the “call forwarded” call that it really is. When a call is made to a CMRS subscriber that has roamed, the call is originally routed to its home switch. The concepts set forth above are wholly applicable. The forwarding of that call to the subscriber in the network in which it has roamed, should simply be treated as a second call, with the same concepts as outlined above applied distinctly to that second call. With respect to a roamer-originated call, the concepts outlined above would be modified only to the extent that the originating NPA-NXX of the roamer number, which might well be outside of the MTA where the roamer is actually located, would not be used. Instead, the CMRS network on which the subscriber is roaming, would route the calls to and from the highest point of interconnection within the MTA where the roamer is located at the time that it originates the call.

^{31/} Mid Missouri understands that the cost of terminating the call could, instead of being collected by the IXC from its originating customer and paid to the terminating carrier in the form of access, alternatively be collected directly by the terminating carrier from its subscriber receiving the call. However, such a structure would require a fundamental change in the consumer’s mind of having to “pay” for an incoming (and possibly unwanted) “long distance” phone call. Mid Missouri does not believe that such a fundamental change is likely to be accepted at this time and therefore urges the retention of the terminating access structure at this time.

they dial a call that terminates to a CMRS carrier. Accordingly, failure to pay terminating access to the CMRS carrier results in unjust charges to the IXC customer and unjust enrichment to the IXC. There simply is no basis for the IXC to justify not making such payments to the rightful party: the CMRS carrier that terminates that traffic. The Commission should adopt a uniform CMRS terminating access rate that would be applicable absent a direct contract between the parties.

B. Alternative Reform Measures That Would Build upon Current Requirements for Cost-based Inter-carrier Payments.

Mid Missouri submits that even if the Commission were to decide not to adopt a bill-and-keep approach, that the concepts outlined above could and should still be implemented in conjunction with the present reciprocal compensation structure. While less efficient to the extent that it requires inter-carrier billing and accounting, with the adoption of the elements outlined above (interconnection at the highest common point; elimination of originating access; routing all intra-MTA traffic -- determined on the basis of the rate center locations for the originating and terminating NXX codes -- via the common interconnection tandem; and payment of terminating access by the IXC) should be applied to reform the current structure to eliminate abuses that result in a wide-spread denial of reciprocal compensation and terminating access to the CMRS carriers.

IVV. COMMISSION AUTHORITY OVER LEC-CMRS INTERCONNECTION

Against the background of CTIA submissions urging the Commission immediately to replace the existing reciprocal compensation mechanism for LEC-CMRS interconnection with a bill-and-keep regime,^{1/} the Commission seeks comment on its authority under section 332 of the 1993 Budget Act over LEC-CMRS interconnection.^{1/} Specifically, first, the Commission seeks comment on the relationship between the CMRS interconnection authority assigned to the Commission under sections 201 and 332, and that granted to the states under sections 251 and 252.^{1/} Second, the

^{32/}See Letter from Thomas E. Wheeler, CTIA, to Chairman William E. Kennard (Dec. 12, 2000); Letter from Michael F. Altschul, CTIA, to Chairman William E. Kennard (Dec. 29, 2000) (collectively, "CTIA letters").

^{33/}See, generally, NPRM at ¶¶78-89.

^{34/}See NPRM at ¶86.

Commission inquires about the extent to which section 332 preempts state regulation of interstate LEC-CMRS interconnection and gives such authority to the Commission.^{1/} Third, and finally, the Commission asks whether forbearance is appropriate in the context of LEC-CMRS interconnection.^{1/} Mid Missouri enthusiastically supports the positions raised in the CTIA letters, and believes that those documents clearly set forth the legal basis upon which the Commission can proceed to adopt either the bill-and-keep structure set forth above or reform the existing reciprocal compensation regime along the same lines. addresses issues raised in the *NPRM* below. (***) I assume we do not want the Commission to forbear from regulating LEC-CMRS Interconnection. Due to the unbalanced bargaining power of an RBOC against Mid-Missouri, FCC regulations are necessary to protect us. However, before I spend a lot of time developing the legal arguments outlined below, if you think that the CTIA letters present adequate arguments for FCC authority to establish bill&keep regime we could merely end the paragraph after “CTIA letters,” eliminate sub-sections A through C, and let the arguments contained in the letters stand on their own. Please advise).

- A. Relationship Between the CMRS Interconnection Authority Assigned to the Commission under Sections 201 and 332, and That Granted to the States under Sections 251 and 252.**
- B. The Extent to Which Section 332 Preempts State Regulation of Interstate LEC-CMRS Interconnection and Gives Such Authority to the Commission.**

^{35/} See *NPRM* at ¶87.

^{36/} See *NPRM* at ¶88.

C. Is forbearance is appropriate in the context of LEC-CMRS interconnection?

With respect to this issue, the Commission wants commenters to focus on, whether the Commission should forbear from applying some or all of the provisions of sections 251 and 252 to LEC-CMRS interconnection in some or all state jurisdictions or forbear from applying some or all of section 332 to LEC-CMRS interconnection in light of sections 251 and 252, and on the extent of its authority to do so. The Commission also requests that parties address the practical consequences of the approaches the Commission might take to exercising, or forbearing from exercising, its authority over LEC-CMRS interconnection.

1. Whether the Commission Should Forbear from Applying Some or All of the Provisions of Sections 251 and 252 to LEC-CMRS Interconnection in Some or All State Jurisdictions
2. Alternatively, Whether the Commission Should Forbear from Applying Some or All of Section 332 to LEC-CMRS Interconnection in Light of Sections 251 and 252, and on the Extent of its Authority to Do So.

3. Practical Consequences of the Approaches the Commission Might Take to Exercising, or Forbearing from Exercising, its Authority over LEC-CMRS Interconnection.

VI. BILL-AND-KEEP FOR INTERSTATE ACCESS CHARGES

While the Commission admittedly does not anticipate implementing major changes to its access charge rules in the initial phase of this proceeding.^{37/} It requests that parties provide input into possible changes to the current access charge system, including whether access charges, when they apply to interexchange traffic under sections 201, 251(g) and 251(i), should apply to CMRS carriers,

^{37/} *NPRM* at ¶97.

and whether CMRS carriers are entitled to receive access charges, or some additional compensation, for interexchange traffic terminating on their networks.^{1/} (Please advise. I assume I should argue against paying access and in favor of receiving access for IXC traffic terminated on our network, I guess with the understanding that any revisions to access charge rules at this point are likely to be superceded by implementation of a bill&keep regime in a later phase of this proceeding. On the bright side though, at the FCC's normal pace of rule promulgation, it may give us a source of cost recovery for a decade or so.) Mid Missouri respectfully submits that the access charge reforms discussed above (elimination of originating access and payment of terminating access to all carriers, including CMRS) would squarely address these issues.

^{38/}*NPRM* at ¶94.

VI. CONCLUSION

As detailed herein, Mid Missouri recognizes that a bill-and-keep regime would help to level the playing field for small, regional carriers who currently are at a competitive disadvantage when negotiating interconnection agreements with their larger competitors. However, Mid Missouri cautions that adoption of a bill-and-keep regime *alone* will not accomplish the Commission's goals. Rather, Mid Missouri urges the Commission to adopt a bill-and-keep regime in conjunction with the most efficient interconnecting network configurations.

Respectfully submitted,

MID MISSOURI CELLULAR

By: /s/ Lisa L. Leibow

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August 21, 2001

CERTIFICATE OF SERVICE

I, LaWanda Y. Tyson, a secretary with the law firm of Kurtis & Associates, P.C., do hereby certify that I have this 21st day of August 2001, had copies of the foregoing "COMMENTS OF MID MISSOURI CELLULAR" via First Class United States Mail, postage prepaid to the following:

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International Transcription Service, Inc.
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Commissioner Kathleen Abernathy
Federal Communications Commission
445 12th Street, N.W., Room 8-A204
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Commissioner Gloria Tristani
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